

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 USA LLC (9450); GK8 Ltd. (1209); and GK8 UK Limited (0893). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

The Official Committee of Unsecured Creditors (the “**Committee**”) of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) files this limited objection (the “**Limited Objection**”) to the *Joint Stipulation and Agreed Order Between the Federal Trade Commission and the Debtors to Enter into Stipulated Order in the District Court* [Docket No. 3095] (the “**Stipulation and Agreed Order**”).<sup>2</sup>

### **LIMITED OBJECTION**

1. On July 13, 2023, the Debtors announced that it had reached consensual resolutions with the Department of Justice, the Securities and Exchange Commission, the Commodities Futures Trading Commission, and the Federal Trade Commission regarding their prepetition conduct. *Notice of Press Release* [Docket No. 3016]. The Debtors announced that “[t]he resolutions announced today are not expected to affect Celsius’ Chapter 11 Plan of Reorganization or the value to be returned to customers thereunder.” *Id.* On July 26, 2023, the Debtors filed the Stipulation and Order which provides that “the FTC’s Monetary Judgment in the amount of \$4,720,000,000 shall constitute a general unsecured claim against the Debtors that is nondischargeable pursuant to section 523 and 1141 of the Bankruptcy Code; *provided* that the Monetary Judgment shall be suspended against the Debtors and will not be an allowed claim and shall not receive any distributions in these chapter 11 cases, in each case, so long as the Debtors comply with the applicable requirements set forth in the Stipulated Order for such suspended Monetary Judgment.” Stipulation and Order ¶ 2.

2. The Stipulation and Order also provides that “Notwithstanding anything to the contrary in the Stipulated Order, the Monetary Judgment shall be suspended against the Debtors

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<sup>2</sup> Capitalized terms used but not defined herein have the meanings ascribed to them in the Stipulation and Agreed Order [Docket No. 3095].

and shall not be an allowed claim or paid by the Debtors so long as the Debtors comply with the requirements set forth in the Stipulated Order. The FTC shall be entitled to enforce collection of the Monetary Judgment against the Corporate Defendants if the suspension is lifted pursuant to the conditions set forth in the Stipulated Order.” *Id.* ¶ 3.

3. The Stipulated Order provides that the suspension of the Monetary Judgment “does not preclude the full distribution of assets held by the Debtor Defendants in the Bankruptcy Case.” Stipulation and Order, Ex 1. Art. V.

4. Based on the foregoing, the Committee understands that the Monetary Judgment will not attach to the assets of the Debtors that are transferred to a new company free and clear as contemplated by the Debtors’ proposed plan of reorganization, nor will the Debtors be required to reserve funds for the payment of the Monetary Judgment following the confirmation and consummation of the Debtors’ proposed plan of reorganization. However, that is not clear from the Stipulation and Order.

5. The following language should be included in the Stipulation and Agreed Order to make clear that the Monetary Judgment will not affect the value returned to creditors: “Notwithstanding anything herein to the contrary, (1) the Monetary Judgment will not attach to the assets transferred to the new company created in connection with the Debtors’ plan of reorganization (“**NewCo**”) or NewCo itself and (2) following the occurrence of the effective date with respect to such plan, the Debtors shall not be required to reserve any amounts to satisfy such Monetary Judgment.”

### **CONCLUSION**

6. WHEREFORE, the Committee respectfully requests that the Court sustain this Limited Objection.

Dated: August 2, 2023  
New York, New York

Respectfully submitted,

/s/ Aaron E. Colodny

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